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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

MAR 17 2003

Mr. Steve Renne, Acting Director
Missouri Department of Social Services
P.O. Box 1527
Broadway State Office Building
Jefferson City, MO 65102-1527

Missouri 02-21
approved: 03/17/03
effective: 07/01/02

RE: MO 02-021

Dear Mr. Renne:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 02-021. This amendment revises the payment methodology for nursing facility services. Effective for services on or after July 1, 2002, this amendment stops the rate adjustment for high volume providers from accumulating from year to year. This amendment also establishes a second tier rate adjustment for high volume public providers.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13) and 1902(a)(30) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 02-021 is approved effective July 1, 2002. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tim Weidler at (816) 426-6466.

Sincerely,

Charles B.
Dennis G. Smith
Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATIONFORM APPROVED
OMB NO. 0838-0193**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 - 2 1

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

CFR 42

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$137,000 TAW

b. FFY 2003 \$551,000 TAW

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19D pp. 60A, 60B, 60C TAW

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19D pp. 60A, 60B, 60C TAW

10. SUBJECT OF AMENDMENT: Amends the high volume adjustment to stop accumulating the
adjustment from year to year and establishes a second tier high volume
adjustment.

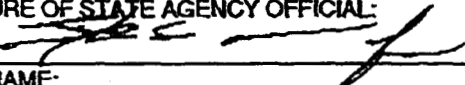
11. GOVERNOR'S REVIEW (Check One):

- ☒
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER AS SPECIFIED:

George T. Murphy

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Dana Katherine Martin

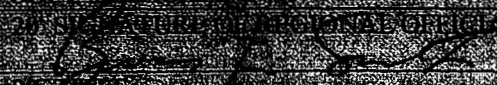
14. TITLE:

Director

15. DATE SUBMITTED:

7/31/02

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED	8/15/02
18. PLAN APPROVED	8/15/02
19. EFFECTIVE DATE OF APPROVED MATERIAL	7/1/02
20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME	CHARLENE BROWN
22. TITLE	Deputy Director, CMSO
23. REMARKS:	

- A. Each facility with a prospective rate on or after July 1, 2000, and which meets all of the following criteria shall receive a per-diem adjustment:
- (I) Have on file at the division a full twelve (12)-month cost report ending in the third calendar year prior to the state fiscal year in which the adjustment is being determined (i.e., for SFY 2001, the third prior year would be 1998, for SFY 2002, the third prior year would be 1999, etc.);
 - (II) The Medicaid patient days as determined for the cost report identified in part (13)(B)10.A.(I) exceeds eighty-five percent (85%) of the total patient days for all nursing facility licensed beds;
 - (III) The allowable cost per patient day as determined by the division from the applicable cost report for the patient care, ancillary and administration components, as set for in paragraphs (11)(A)1., (11)(B)1. and (11)(C)1., exceeds the per-diem ceiling for each cost component in effect at the end of the cost report period; and
 - (IV) State owned or operated facilities shall not be eligible for this adjustment.
- B. The adjustment will be equal to ten percent (10%) of the sum of the per-diem ceilings for the patient care, ancillary and administration cost components in effect on July 1 of each year. Effective July 1, 2002, the adjustment shall not accumulate from year to year.
- C. The division may reconstruct and redefine the qualifying criteria and payment methodology for the high volume adjustment.
- D. Second Tier High Volume Adjustment. Effective for dates of service July 1, 2002, a second tier high volume adjustment shall be granted to qualifying providers.
- (I) If a **public** nursing facility qualifies for the first tier high volume adjustment, as set forth above in subparagraph (13)(B)10.A., **and has unreimbursed costs of serving Medicaid patients**, it may qualify for the second tier adjustment if it meets the following criteria:

State Plan TN # 02-21
 Supersedes TN # 01-22

Effective Date: 07/01/02
 Approval Date: MAR 17 2003

- (a) The Medicaid patient days as determined from the cost report identified in part (13)(B)10.A.(I) exceeds ninety-three percent (93%) of the total patient days for all nursing facility licensed beds;
 - (b) The allowable cost per patient day as determined by the division from the applicable cost report for the patient care cost component, as set forth in paragraph (11)(A)1., exceeds 120% of the per-diem ceiling for the patient care cost component in effect at the end of the cost report period; and
 - (c) The allowable cost per patient day as determined by the division from the applicable cost report for the administration cost component, as set forth in paragraph (11)(C)1., is less than 150% of the per-diem ceiling for the administration cost component in effect at the end of the cost report period.
- (II) The second tier high volume adjustment **shall not exceed 27.56%** of the sum of the per-diem ceilings for the patient care, ancillary and administration cost components in effect on July 1 of each year. The adjustment for state fiscal year **2003** shall be \$18.56 per Medicaid day.
- (a) The adjustment **for the current fiscal year** shall be distributed based on a quarterly amount, in addition to per-diem payments, based on Medicaid days determined from the paid day report from Missouri's fiscal agent for pay cycles during the immediately preceding state fiscal year.
 - (b) **A facility's total second tier high volume adjustment may not exceed the amount it has certified it spent in public funds providing services to Medicaid patients not otherwise reimbursed.**
- (III) A nursing facility must qualify for the adjustment each year to receive the additional quarterly payments.

11. Minimum Rate Adjustment. A minimum rate adjustment shall be granted to qualifying providers, as follows:

A. Effective for dates of service beginning July 1, 2001, the minimum Medicaid reimbursement rate for nursing facility services shall be \$85.00.

(C) Conditions for prospective rate adjustments. The Division may adjust a facility's prospective rate both retrospectively and prospectively under the following conditions:

1. Fraud, misrepresentation, errors. When information contained in a facility's cost report is found to be fraudulent, misrepresented or inaccurate, the facility's prospective rate may be both retroactively and prospectively reduced if the fraudulent, misrepresented or inaccurate information as originally reported resulted in establishment of a higher, prospective rate than the facility would have received in the absence of such information. No decision by the Division to impose a rate adjustment in the case of fraudulent, misrepresented or inaccurate information shall in any way affect the Division's ability to impose any sanctions authorized by statute or plan. The fact that fraudulent, misrepresented or inaccurate information reported did not result in establishment of a higher prospective rate than the facility would have received in the absence of this information also does not affect the Division's ability to impose any sanctions authorized by statute or plan;
2. Decisions of the Administrative Hearing Commission, or settlement agreements approved by the Administrative Hearing Commission;
3. Court Order; and
4. Disallowance of federal financial participation.